DOCUMENT RESUME

ED 335 502 CE 058 665

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TITLE JOBS in the South. The Impact of Low Welfare Benefits and Low Education Levels.
INSTITUTION Center for Law and Social Policy, Washington, DC.; Center on Budget and Policy Priorities, Washington, DC.
PUB DATE Mar 91
NOTE 21p.; Prepared for "JOBS and Education in the South: New Linkages, New Issues" (Atlanta, GA, March 25-26, 1991). For a related document, see CE 058 664.
AVAILABLE FROM Center on Budget and Policy Priorities, 777 North Capitol Street, N.E., Suite 705, Washington, DC 20002 ($3.00).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Adult Basic Education; Basic Skills; Educationally Disadvantaged; Eligibility; *Employment Programs; Federal Aid; Federal Programs; *Job Training; Low Income; Postsecondary Education; Program Effectiveness; *Program Implementation; Research Problems; Secondary Education; *State Programs; *Welfare Recipients
IDENTIFIERS *Job Opportunities in the Business Sector; *United States (South)

ABSTRACT

JOBS (Job Opportunities in the Business Sector) implementation faces major challenges in every state, but two issues are of particular importance in the South: the impact of low welfare benefits and the impact of low educational levels among Aid to Families with Dependent Children (AFDC) recipients. The impact of low welfare benefits shows up because all 10 Southern states studied have substantially lower AFDC payments than the national median. Although it is difficult for a family to live on AFDC for any substantial length of time, a very low wage job, such as can be provided by the JOBS program, will make a family ineligible for AFDC in a Southern state. Therefore, long-term planning for the JOBS program can be difficult because a temporary interruption in AFDC eligibility tied to a temporary increase in income will make a person ineligible for the JOBS program as well. Obtaining a low-wage job following participation in the JOBS program may not make the family better off because they lose AFDC and health benefits and incur work-related expenses. Transitional services are needed to help JOBS participants make the transition to private jobs. The impact of low levels of education among AFDC recipients in the South means that JOBS participants may have to spend too much time in education programs or that the adult education programs available may not provide enough hours or prepare participants for better jobs. Recommendations for improving the JOBS situation in the South include the following: (1) choosing and monitoring adult education services carefully; (2) combining education with employment; (3) combining adult and child development classes; and (4) offering concurrent or integrated education and job training. (KC)

ED335502

JOBS IN THE SOUTH
The Impact of Low Welfare Benefits and Low Education Levels

by
Mark Greenberg and Julie Strawn

Prepared for

JOBS and Education in the South:

New Linkages, New Issues

March 25-26, 1991
Decatur Holiday Inn
Atlanta, Georgia

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JOBS implementation faces major challenges in every state, but two issues may be of particular importance in the South:[1]

- the impact of low welfare benefits; and
- the impact of low educational levels among AFDC recipients.

This paper describes each issue and considers the possible implications of the issues for JOBS implementation.

I. How AFDC Benefit Levels Can Affect JOBS Implementation

Under federal law, each state sets its own payment levels for the AFDC Program. In 1990, the median national AFDC benefit for a family of three with no other income was $364. Every Southern state has a benefit level for a family of three that is less than $300; four states have benefit levels below $200.[2]

Table I

State	AFDC Monthly Benefit for Family of 3 with No Other Income (January 1991)
Florida	294
Georgia	280
North Carolina	272
Kentucky	228
South Carolina	210
Arkansas	204
Tennessee	195
Louisiana	190
Alabama	124
Mississippi	120

[1] Because this paper was written as background for the conference, **JOBS and Education in the South**, the South is defined here as those ten states involved in the conference: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. We would like to thank Sam Stephenson for his contributions to gathering and analyzing the data.

[2] Congressional Research Service, unpublished data, January 1991.

Because benefit levels are so low:

- It is difficult for a family to live on an AFDC grant for any substantial length of time;

- A very low wage job will make a family ineligible for AFDC in a Southern state.

These factors are likely to be directly relevant to JOBS implementation in two ways: states need to consider how long-term employment planning for a family is affected by the difficulty of living on an AFDC grant; and, states need to consider the policy implications arising because the job that makes a family ineligible for AFDC may still leave the family deep in poverty.

A. The Impact of Low Benefit Levels on the Length and Nature of JOBS Component Activity

Ideally, a JOBS program seeks to engage in planning to address long-term employment goals. In the South, low benefit levels, and interruptions of eligibility relating to those low benefit levels, may make long-term sequencing of activities more difficult.

Long-term employment planning could mean, but does not necessarily mean, a long sequence of activities before employment. For example, for an individual lacking a high school diploma, a long-term plan might first involve participation in ABE or GED classes, then involve the participant seeking a GED, and eventually include going on to a postsecondary education activity. Or, a plan might involve more immediate employment, tied to a workplace literacy or community literacy program, and ongoing services during employment. There may be disputes about which approach to take, but ideally, a state would not want to require a person to choose between taking a job and continuing her education if it were possible to facilitate proceeding with both.

In either case, a case manager and individual might want to plan for a set of services over time. What will happen when AFDC eligibility is interrupted in the midst of the sequence? Eligibility might be briefly interrupted, e.g., due to payment of child support or because of receipt of a small amount of lump sum income. Or, a family member might attain a low wage job that makes the family ineligible for AFDC, but still in need of services.

In addition, four states in the region (Arkansas, Florida, Georgia, Louisiana) deny AFDC to two-parent families after the family has received AFDC-UP (Unemployed Parent) benefits for six of the preceding twelve months. In these states, there will be further interruptions of any long-term employability plan.

To what extent can a state provide for continuity of services despite interruptions in AFDC eligibility? JOBS services are generally tied to being AFDC eligible. There are only a few narrow, but potentially important, exceptions:

- The state may continue using JOBS/AFDC funds for work supplementation and OJT placements after the individual is financially ineligible for AFDC;[3]

- The state may continue to receive federal matching funds for a JOBS component activity (e.g., an education or training activity) after the individual loses AFDC eligibility if the funds for the activity were obligated or expended prior to the loss of eligibility;[4]

- The state may provide up to ninety days of case management and transitional supportive services (other than child care) after the loss of AFDC eligibility;[5]

- When the Child Care Block Grant funding becomes available, those funds may be used to provide continuing child care for education activities after the family loses AFDC eligibility; in addition, the state could use either Block Grant funds or the new IV-A (At-Risk) child care funds to provide continuing child care for employed people not eligible for Transitional Child Care;

- The state is eligible for federal matching funds for the costs of continued JOBS services, provided on a voluntary basis, to families who cease to receive AFDC-UP benefits because the state is running a time-limited AFDC-UP Program.[6]

These provisions do not address all situations, but they do offer fragments that the state might seek to pull together in an attempt to provide for continuity of services despite interruptions of AFDC eligibility.

Another way to foster continuity of services would be for the state to adopt or expand use of "fill-the-gap" budgeting. Each state AFDC Program has a "standard of need" and a "payment standard." The standard of need may be the same as or higher than the payment standard. A state can choose to use AFDC budgeting rules that let a family keep receiving an AFDC payment if the family's

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[3] Correspondence: Jason Turner to Suanne Brooks, November 27, 1990, re "Questions Related to Review of State JOBS and Supportive Services Plans."

[4] 45 C.F.R. §250.73(e)(2).

[5] 45 C.F.R. §250.73(e)(1).

[6] Correspondence: Jason Turner to Sharon Fujii, October 10, 1990, re "JOBS Policy Questions."

income is less than the need standard even though the family's income is greater than the payment standard.

For example, suppose the state need standard is $600 and payment standard is $200. The state's rules might say that any family with countable income exceeding $200 is ineligible for AFDC. Or the state might let families "fill the gap" between the need standard and payment standard, by remaining eligible for an AFDC payment so long as the family's countable income was less than $600. The amount of the AFDC payment would depend on how the state structured its budgeting rules.

"Fill-the-gap" budgeting takes on dual significance under JOBS: it is both a way to supplement the income of working poor families and a way to foster continuity of services for those families. It can be particularly important in fostering continuity of services under JOBS for three reasons:

- Families leaving AFDC for employment may or may not qualify for transitional Medicaid and child care assistance.[7] Even if the families qualify, the benefits expire after twelve months. In contrast, a family receiving AFDC is automatically eligible for Medicaid, and an employed AFDC recipient is eligible for AFDC child care assistance. Accordingly, the state can reliably assure health care and child care for very poor working families through a fill-the-gap budgeting approach.

- The state could make available part-time continuing education opportunities to the working poor, with JOBS paying for component costs and support services, while the families continued to receive an income supplement through AFDC.

- Attainment of employment could be a part of, rather than an interruption of, a long-term employability plan.

Six Southern states currently use some form of fill-the-gap budgeting,[8] and therefore reduce the impact on AFDC when a family member gets a job. However, fill-the-gap budgeting ultimately depends on the amount of the gap between the need and payment standard, and the fill-the-gap states have the lowest standards of need in the region:[9]

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[7] See Greenberg, *Transitional Child Care: Who's Eligible?; Transitional Medicaid: Who's Eligible?* (Rev. March 1991).

[8] Characteristics of State Plans for AFDC (1989 Ed.) identifies Georgia, Tennessee, North Carolina, South Carolina, and Mississippi (p.373). Since that time, Kentucky has also adopted a fill-the-gap budgeting structure.

[9] Congressional Research Service, January 1991.

Table II

State	AFDC Standard of Need for Family of 3 (January 1991)
Florida	880
Arkansas	705
Louisiana	658
Alabama	603
North Carolina	544
Kentucky	526
South Carolina	440
Georgia	424
Tennessee	412
Mississippi	368

All states are required to reevaluate their need and payment standards in 1991, and periodically thereafter.[10] This may be an appropriate time for states to consider adopting a need standard that more realistically reflects family needs.

Necessarily, raising a state need standard or adopting fill-the-gap budgeting has a budgetary impact. However, to the extent that the approach provides essential support to working poor families in low-wage jobs, it could be an important part of a JOBS implementation strategy.

B. Impact of Low Benefit Levels for Families Attaining Employment

A tension all states face is that a job that makes a family ineligible for AFDC may not pay enough to raise the family out of poverty. For example, the poverty level for a family of three is $928 per month. A thirty-five hour a week job would have to pay $6.12 an hour just to reach $928, without considering any of the expenses associated with going to work. In contrast, employment paying a fraction of that amount will make the family ineligible for AFDC in most Southern states. The following chart shows the gross income level at which a family of three with earnings became ineligible for AFDC upon initially attaining employment in 1990.[11]

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[10] See FSA-Action Transmittal-91-7 (Feb. 21, 1991), directing states to submit a report describing their reevaluation to HHS within sixty days.

[11] Numbers are taken from and derived from the Committee on Ways and Means, U.S. House of Representatives, *Overview of Entitlement Programs, 1990*, June 1990 (hereafter cited as the *Green Book*), WMCP 101-29.

Table III

State	Gross Income Level for AFDC cut-off (monthly income)	AFDC Ineligibility Level after first 4 months of employment
Alabama	297	238
Arkansas	426	324
Florida	561	414
Georgia	741	534
Kentucky	909	646
Louisiana	405	310
Mississippi	672	488
North Carolina	528	412
South Carolina	748	539
Tennessee	700	507

The impact of attaining employment on AFDC eligibility is generally less severe in the fill-the-gap states. However, a job paying $4.25 an hour for a forty hour week will still mean immediate loss of AFDC eligibility in seven states and lost AFDC eligibility after four months in the remaining three states.

The fact that employment sufficient to lead to AFDC ineligibility is not sufficient to get the family out of poverty creates a serious tension for JOBS planners. On the one hand, if the program is primarily being measured by the extent to which it lowers the AFDC caseload, then a minimum wage placement may seem sufficient. However, such a placement may not lead to any improved circumstances for the family in the long run. Moreover, if the placement is an unstable or seasonal job, then the initial caseload reduction may not last over time.

If, on the other hand, the program seeks to emphasize education and training for jobs that pay higher wages, two concerns are likely to emerge:

- An effort to address long-run educational needs may be politically controversial, because legislators and others will ask why more is not being done to reduce the AFDC caseload immediately;
- Many families will not wish to or be able to continue receiving AFDC for the length of time needed to complete a lengthy course of training.

These tensions seem to have two clear implications for Southern JOBS implementation.

First, any state agency seeking to pursue a strategy of long-run investment and training needs to ensure that the groundwork is laid for long-run legislative

support. This may involve efforts to have the JOBS program seen as part of the state's education reform efforts, or as part of the state's economic development activities. If the program is simply thought of as an effort to reduce welfare spending, then the program is bound to be vulnerable when the caseload does not drop dramatically. Indeed, the experience of the last year suggests that shifts in the economy and other factors can lead the caseload to go up, leaving any JOBS program that has promised caseload reduction in a particularly difficult posture.

The second implication flowing from low wage ineligibility for AFDC is the need for a set of efforts to support working families after they attain employment. We have already suggested that higher AFDC eligibility levels and fill-the-gap budgeting might provide important income support and access to services for working families. In addition, a state JOBS program could put significant efforts into ongoing support for families that lose AFDC eligibility. This might have five key elements:

Transitional Child Care: Initial participation numbers suggest serious under-utilization of transitional child care throughout the country. Stable child care arrangement are essential to employment. Because of the bifurcation of JOBS and AFDC eligibility, the provision of transitional child care may be the responsibility of another part of the state agency. If that is the case, one role for a JOBS case manager during the 90 day post-AFDC period could be to help assure that each client fully understands child care options and is provided needed assistance in accessing those services.

Transitional Medicaid: Utilization of Transitional Medicaid appears substantially higher than utilization of child care. However, Medicaid rules require a set of quarterly reports, and a family failing to timely report may lose eligibility for the remainder of the year. Do the policies and practices of the part of the agency responsible for Medicaid reflect the JOBS program goal of ensuring access to a year of health care?

The Earned Income Tax Credit: The EIC is a federal tax credit for low income working families with children.[12] Families that earned less than $20,264 in 1990 could be eligible for a benefit as large as $953. The EIC is refundable; i.e., if the family owes no taxes, the family will be eligible for a payment of the amount of the credit. The EIC is wholly funded by the federal government.

The family can receive the EIC in one of two ways. Most eligible families get a lump sum payment of the EIC when they file their tax return. However, the law also says that an eligible family can get **advance payment** of the EIC. The worker files a form with her employer indicating her eligibility. Then the employer adds the amount of advance payment in her

[12] See generally Fact Pack, The Earned Income Credit Campaign, Center on Budget and Policy Priorities.

paycheck, and makes a corresponding adjustment to the amount of withholding taxes filed with the federal government.[13]

A JOBS program could raise the monthly income of its clients by working with participants and their employers to encourage provision of advance payment of the EIC. At present, advance payment is seriously underutilized, but members of the business community interested in supporting the JOBS program could provide leadership in facilitating advance payment for eligible employees.

The EIC will become even more important over time, due to recent Congressional expansion of eligibility and benefits. By 1994, a family with one child over age one could receive a maximum EIC benefit of $1,861 as a lump sum refund, or $155 a month when received as advance payment.

Child Support: An additional approach to supplementing the income of the working poor would involve better integration of state JOBS and child support efforts. Historically, many state AFDC Programs have emphasized to recipients the mandate to cooperate with child support enforcement rather than the potential benefit to the family from the receipt of child support. A $200 child support payment may only be "worth" $50 to the family while the family receives AFDC (i.e., the amount disregarded under federal law) but will be far more valuable after the family is employed and not receiving AFDC. A state could seek to expedite child support services for JOBS participants wanting child support assistance, and for families leaving AFDC for employment. A JOBS program assessment/employability plan process could incorporate information about the actual or anticipated receipt of support while developing a long-term employability plan. A JOBS case manager could act as an advocate with the Child Support Enforcement part of the agency to help assure services are being provided in a timely manner for JOBS and post-JOBS clients.

Support in Job Retention and Career Mobility: Some observers have suggested that the most important role for a JOBS case manager could be helping a client deal with the pressures of the first months of employment: child care breakdowns, transportation problems, reasonable or unreasonable supervisory expectations. The first ninety days of case management after loss of AFDC are eligible for federal match. After that point, a program might seek to identify other community resources — i.e., mentoring programs, community-based and governmental job placement resources — to assist former JOBS clients who have retained (or lost) employment in their efforts to seek better jobs.

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[13] For more detail, see *Receiving EIC By Paycheck: The Advance Payment Option* (part of Fact Pack, The Earned Income Credit Campaign, Center on Budget and Policy Priorities).

In summary, the low benefit levels of Southern states raise the danger that families will lose AFDC due to employment and yet have no real improvement in their circumstances. A JOBS program can initiate or coordinate with others in a number of activities to help increase the likelihood that these families improve their economic well-being from employment.

II. Education Levels in the South

Nationally the low educational levels of AFDC recipients pose one of the biggest challenges for JOBS implementation. In the South this challenge will be especially great. Of the ten states with the lowest levels of educational attainment in the country, nine are in the South. In these nine states, about a third or more of heads of households lack a high school diploma.[14]

Table IV
Educational Attainment of Heads of Household, 1986-1988

State	% With 0-8 Years of Schooling	% With 9-11 Years of Schooling	Total % Without HS Diploma (National Rank)
Alabama	19%	19%	38% (50)
Arkansas	19%	16%	35% (46)
Georgia	15%	15%	30% (41)
Kentucky	23%	13%	36% (47)
Louisiana	18%	14%	32% (43)
Mississippi	21%	16%	37% (48)
N. Carolina	17%	16%	33% (44)
S. Carolina	19%	16%	35% (45)
Tennessee	24%	13%	37% (49)

Among those eligible for JOBS, educational levels are even lower. Available evidence indicates that the AFDC population is less well educated on average than the general population; national estimates are that about 40-50% of AFDC recipients lack high school diplomas.[15] A recent analysis of a nationally representative survey of youth found that young AFDC recipients scored well

[14] Analysis of Census data from the Current Population Survey, prepared by Jon Haveman and Sheldon Danziger for the Corporation for Enterprise Development, Washington, DC.

[15] *Green Book, op. cit.* This is a rough approximation because data is missing for 59% of the sample; however, other studies also indicate it is in the 40-50% range.

below average on a test of basic academic skills.[16] Data from both national data sets and from smaller studies of welfare reform programs have found that AFDC recipients perform on average at about the 7th grade level on reading and math tests. An important subgroup may have severe educational barriers; the data shows that as many as a third of the AFDC recipients included in these studies scored at or below the 5th grade level.[17]

Low educational levels in the South have several implications for JOBS:

- JOBS participants who are not given access to education or training services may have difficulty finding a job which enables their families to escape poverty (given the strong connection between educational levels and earnings).

- In programs that emphasize education, a high proportion of JOBS participants are likely to be placed in adult education. Some evidence suggests that many adult education programs may not currently have the capacity to serve these new students effectively.[18]

- JOBS programs may find that many participants spend a relatively long time in an education activity, given low initial skills and the fact that progress is often slow in adult basic education.

While the education-earnings link suggests the importance of offering education services in JOBS programs, the likelihood of a high proportion of participants in adult education, and the potential for lengthy stays in education suggest that JOBS planners may face difficult issues in structuring JOBS education services. It may be especially important for administrators, clients, legislators and the public to have realistic expectations for what can be achieved and in what length of time.

A. Education and Earnings

It has been well established that earnings of individuals are strongly related to both their years of schooling and their basic skills levels. Individuals with either more years of schooling or higher basic skills tend to earn more and are less likely to receive public assistance or live in poverty than those with lower

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[16] "Welfare Mothers as Potential Employees: A Statistical Profile Based on National Survey Data," Kristin A. Moore, Nicholas Zill, and Thomas Stief, Child Trends, Washington, DC, February 25, 1991.

[17] These observations are based on test score data from *Implementing JOBSTART*, MDRC, June 1989; from the English Language Proficiency Survey, U.S. Census Bureau for the U.S. Dept. of Education, 1982; from the MDRC evaluation of the California GAIN program, unpublished data; from the Mathematica evaluation of the Teen Parents demonstrations in New Jersey and Illinois, unpublished data; and from Child Trends, op.cit.

[18] This will be discussed in detail in Section B.

educational levels.[19] In addition, research from state welfare reform demonstrations show that low-cost services such as job search and workfare are generally not effective in helping those with the greatest barriers to employment, such as lack of work experience and low basic skills, to find jobs. In contrast, more intensive service such as education, supported work and job training have had some impact with this group of AFDC recipients.[20] One recent study found that education and job training were most effective when offered in a program which integrated the two activities, rather than requiring, as many programs do, that participants attend a separate education program before being admitted to job training.[21]

Such evidence about the link between educational levels and earnings has convinced many people that education and job training will be necessary for the more disadvantaged JOBS participants to find sustainable employment. The idea that JOBS may have the most impact if it increases the basic and jobs skills of its participants is sometimes called the "human capital development" approach.

The early data on JOBS participation shows that virtually all Southern states are tending toward this approach. Of the nine Southern states for which data was available, eight — all but Florida — had at least 50% of JOBS participants in education or job training. In seven of the nine states, over 70% of JOBS participants were in education or job training.[22]

Overall the evidence on the link between education and earnings and employment suggests the importance of offering education services to JOBS participants who wish to improve their educational levels. However, it is important to note that it is unknown how effective the human capital approach will be in the context of JOBS. While small-scale, generally voluntary demonstrations have had some success with education and job training for AFDC recipients, no research data yet exists on what happens to the employment and earnings of participants when this approach is tried on a large-scale and when at

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[19] "Education, Earnings, and Poverty," Sheldon Danziger, Institute for Research on Poverty, 1989; Moore, Zill and Stief, Child Trends, *op. cit*; "Toward a More Perfect Union: Basic Skills, Poor Families and Our Economic Future," Gordon Berlin and Andrew Sum, Ford Foundation, New York, 1988.

[20] *Making JOBS Work*, Kathryn H. Porter, Center on Budget and Policy Priorities, March 1990.

[21] *Minority Female Single Parent Demonstration: Short-Term Economic Impacts*, Anne Gordon and John Burghardt, Mathematica Policy Research, March 1990. These results should not be taken as conclusive because it is not possible to tell to what extent other aspects of the program, in addition to integrated education and training, contributed to its effectiveness.

[22] Data taken from the December, 1990, FSA-104 forms, as submitted by states. Conclusions drawn from these numbers should be qualified in two ways: 1) in about half of the states, the numbers of participants to date are small; and 2) some states report that their 104s have incomplete or inaccurate information due to the lack of fully operational automated data systems. There is probably overlap between the skills training and postsecondary categories; job training in a community college setting, for example, might be classified by states as either. Those in self-initiated activities are in education or training but it is impossible to tell from the data what type.

Table V
% of JOBS Participants in Education or Training

State	Education Below Postsecondary	Skills Training	Postsecondary Education	Self-Initiated
Alabama	48%	22%	6%	16%
Arkansas	34%	12%	12%	17%
Florida	18%	6%	14%	1%
Georgia	31%	12%	38%	0%
Kentucky	N/A	N/A	N/A	N/A
Louisiana	28%	13%	9%	34%
Mississippi	52%	1%	8%	18%
N. Carolina	41%	7%	25%	5%
S. Carolina	43%	9%	5%	1%
Tennessee	46%	13%	4%	14%

least some recipients are not participating voluntarily. This suggests that JOBS participants should be offered access to a range of services in addition to education.[23]

B. Current Capacity and Effectiveness of Adult Education

Because educational levels are so low in the South, JOBS programs which choose a human capital development approach are likely to place high proportions of program participants in adult education. The table above shows that in eight of the nine states for which data was available, more participants are in adult education than in any other type of education and training. In six of these states, adult education is the single largest component of JOBS.

Although historically the South has put fewer resources into adult education than any other region, in recent years a number of Southern states have sharply increased adult education spending. Overall, funding in the South now mirrors the rest of the country. One measure of level of effort in adult education is the extent to which states commit funding to the program beyond the minimal state and local match required under the Adult Education Act.[24] The most recent available data, for program year 1988-89, shows that the level of effort of about one third of Southern states — Arkansas, Florida, North Carolina, and South

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[23] Several studies are underway now which will add to our knowledge about whether improvements in education levels of AFDC recipients can result in improvements in economic status. In particular, the MDRC evaluations of the California GAIN program and of 8-10 local JOBS programs across the country will yield information on the economic impact of large-scale, somewhat mandatory welfare reform programs which emphasize education. Unfortunately the JOBS impact data will not be available until at least 1997.

[24] The match for program year 1988-89 was 10% of combined federal, state and local spending on Adult Education Act programs.

Carolina — is comparable to the top third of states nationally. The funding levels of another third — Louisiana, Alabama and Georgia — places them in the middle range nationally. Levels of effort in the last third of Southern states — Tennessee, Kentucky and Mississippi — were significantly below the national average of 83%; each funded less than 20% of total public spending on adult education.[25]

When looked at in comparison to the population eligible for adult education, it becomes clear that the resources available for the program nationally and in the region are quite limited. In the South, as in the rest of the country, only about 6% of those eligible for adult education are served.[26] The data on waiting lists is quite sketchy and it appears that many programs do not keep them. However, a 1986 national survey of about 800 programs found that about one-third of adult education programs nationally had waiting lists which averaged 61 people.[27]

The low funding levels restrict both the numbers of students that can be served and how well each student can be served. Expenditures per student per year are low. For the 1988-89 program year, adult education programs nationally spent an average of $180 per student. In the South, 7 of the 10 Southern states spent less per adult education student than the national average.[28]

Table VI

State	Expenditure Per Student, 1988-89
Arkansas	306
Florida	183
North Carolina	182
Kentucky	162
Louisiana	142
Alabama	120
Georgia	112
South Carolina	100
Mississippi	100
Tennessee	97

[25] These percentages are derived from program data collected by the Office of Vocational and Adult Education, U.S. Department of Education.

[26] Ibid.

[27] "OERI Bulletin," National Center for Statistics, U.S. Department of Education, April, 1986.

[28] U.S. Dept. of Education, *op. cit.*

Simply expanding the number of slots so that JOBS participants can be served in existing programs may not be enough, however. While little research has been done on the effectiveness of adult education services, what information does exist suggests that program quality is uneven:

- Nationally only 20-30% of adult education students stay in the program for more than a year. A recent review of the research by Policy Studies Associates concluded that "sustained participation appears uncommon."[29]

- Other studies bear this out: research on programs in California found average dropout rates of 50% within the first 75-80 hours of instruction. A study of several programs in New York found dropout rates of 50% within the first 100 hours of instruction. A study of more than 200 employment-oriented education and training programs around the country found that 49% of students left the literacy component having completed less than 25 hours of instruction.[30]

- While the U.S. Department of Education does not collect objective data (other than GED completion) on the educational outcomes of adult education participants, it does ask states to report what percent of participants achieved the personal goals they had set for themselves upon enrolling. In 1987, 52.6% left before completing their stated objectives.[31]

- A 1988 MDC study on workforce literacy in the South found that adult educators in the region believe as many as half of all adults who enter adult education classes leave within a short period of time without improving their literacy skills significantly.[32]

- The lack of funding for adult education means that most programs cannot operate full-time or year-round, or have full-time instructors. As of 1988, only 8.3% of adult education teachers nationally were full-

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[29] "Description and Research Findings About Education Programs for Adults and At-Risk Youth," Nancy Adelman, Policy Studies Associates, for the U.S. Department of Health and Human Services, Washington, DC, September 1990, p. 7. Also see "Second Chance Basic Skills Education," Larry Mikulecky, for the Commission on Workforce Quality, U.S. Department of Labor, 1988.

[30] Sticht, *op.cit.*

[31] Sticht, *op.cit.* Why the attrition rate is so high is unclear. The Dept. of Education surveyed the 400,000 persons in this study about why they had left before reaching their objectives, but by far the largest category of reasons for leaving (55.4%) was "other."

[32] "Workforce Literacy in the South," Richard A. Mendel, MDC, Chapel Hill, North Carolina, September 1988.

time. Only about a third have training in adult education; most of the paid instructors are primary or secondary school teachers who teach adults a few hours a week at night.[33] Teachers are paid typically paid only for class time, meaning that any class preparation must be done on their own time.[34]

The scarcity of full-time adult education programs may be a particular problem for JOBS programs given the requirement that a group of participants average twenty hours a week in JOBS activities. This could be especially true for Southern states because the majority of their JOBS participants are in adult education. Adult education programs, on average, provide 4-6 hours of instruction a week. In urban areas, programs tend to offer more hours of instruction, but programs offering twenty or more hours of instruction are relatively rare. Southern states may find that having the majority of their JOBS participants in adult education makes it harder to meet the participation rates mandated by JOBS, especially as those rates rise in future years.

In sum there is a consensus among researchers that, at best, the effectiveness of the adult education system is unknown. Many believe that program impact may be seriously limited by the combination of high dropout rates, limited hours of instruction, lack of trained personnel and low expenditures per student. The MDC study, which involved site visits and interviews with program staff as well as analysis of program data, concluded that "most adult education programs in the South are seriously handicapped in their ability to respond to the literacy needs both of adult learners and of employers."[35] The Policy Studies Associates' report warns that "serious questions should be asked about the capacity of the current adult education system to accommodate an influx of new referrals."[36]

These concerns about the adult education system, however, do not mean that JOBS programs should not refer clients to adult education. There are at least three reasons to believe that adult education can play a critical role in JOBS.

First, widespread recognition of the need to improve the quality of adult education services has led a number of Southern states in recent years to take steps to improve it. Arkansas passed a law in 1988 which requires that programs show that they are providing services "efficiently and effectively" in order to receive funding. Every program is evaluated annually through a set of

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[33] Adelman, Mikulecky, *op. cit.*; U.S. Department of Education.

[34] *Adult education programs and services: A view from nine programs*, Mark A. Kutner, Sandra Furey, Lenore Webb, and Vivian Gadsden, Pelavin Associates, Washington DC, 1990.

[35] *Ibid*, p. 26.

[36] Adelman, *op. cit.*, p. 10.

quantitative performance indicators. These indicators include student attendance and advancement and percent of eligible population served. A remarkably high percentage of programs in the state are full-time: 53 of the 61 publicly-funded programs operating in the state are open for 25 hours a week or more.

Mississippi and North Carolina have recently both adopted a single statewide assessment instrument both as a means of promoting a functional literacy approach in the curriculum and to increase program accountability. Tennessee has recently set up a statewide testing and assessment center. Georgia and Kentucky both recently created new, separate departments for adult and technical education in an effort to improve administration of those programs.

Second, lack of child care and transportation is frequently cited as a primary reason that adult education students do not enroll or remain in the program.[37] The supportive services available to JOBS participants means that many AFDC recipients now have a better chance of being able to participate continuously, and therefore to make progress, in adult education than they did in the past.

Third, JOBS planners, in conjunction with the education community, can take a number of steps to make education in JOBS more effective and more relevant to clients' interests and needs:

- **Choose and monitor adult education services carefully.** This may be the single most important step JOBS program managers can take. Knowing that dropout rates are high and quality of services is variable, JOBS program managers may need to check frequently on the progress of the clients they refer to adult education. Ongoing and exit interviews with clients are a particularly good way to find out if a program is engaging its students.

- **Combine education with employment.** For clients who are anxious to enter employment, a combination of employment or on-the-job training with education makes sense. Combining the two adds a motivating factor for those reluctant to study rather than work, builds work experience for clients who may have little of it, and may increase the chances that the client will find a job upon completing education.[38] The easiest way to do this may be to link JOBS with existing workplace literacy programs; this would help minimize the logistical barriers to combining adult education with work.

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[37] Kutner *et. al., op. cit.*

[38] As long as the activities are appropriate to client needs, are complementary, and are things the clients wants to do, combining education with other activities can be a good way for JOBS programs with high numbers of clients in education to meet the twenty-hour rule.

- **Combine adult education with child development activities for the children of JOBS participants.** Two of the primary motivations for adults to learn are to find or improve their employment and to help their children.[39] Intergenerational education programs build on this motivating factor. And because educational success for children is strongly related to the educational attainment of their mothers, intergenerational approaches to adult education have wide appeal as proactive policies which may improve the life chances of both the mother and the child.[40]

- **Offer concurrent or integrated education and training.** The common practice in welfare reform programs is to require clients with low basic skills to complete education before entering job training. However, there is a large body of research suggesting that adults are more motivated and retain more when they learn basic skills in the context of job-related tasks.[41] Furthermore, a new study found dramatic increases in earnings and employment among low-income single mothers who participated in job training which integrated basic skills development into the program.[42]

Administrators may also want to develop criteria for evaluating the quality of the providers with whom they contract. While such criteria have to be carefully thought out, a list might include attrition rates, level of demonstrated progress by students (appropriate to the initial skill levels), and student evaluations.

JOBS could learn from the experience of the Job Training Partnership Act in this area. Recent studies of JTPA have been critical of the quality of classroom training. One study on improving the quality of training in JTPA cited as a contributing factor to low quality services the fact that Service Delivery Area (SDA) staff almost never observed what went on in the classroom. SDA staff simply made the referrals and assumed that the education providers were taking care of the rest. A key recommendation of the report is for SDAs to "monitor classroom instruction to check on the appropriateness of methods used and the quality of instruction."[43]

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[39] "Essential Characteristics of Effective Adult Literacy Programs: A Review and Analysis of the Research," Miriam Balmuth, Adult Beginning Reader Project, New York, February 1987.

[40] Berlin and Sum, *op.cit.*

[41] Sticht, *op. cit.*; Adelman, *op. cit.*

[42] *Minority Female Single Parent Demonstration, op.cit.*

[43] "Improving the Quality of Training Under JTPA," Berkeley Planning Associates and SRI International, for the U.S. Department of Labor, January 26, 1990.

None of the suggestions above are proven models; they are simply ideas which many think have promise. All are premised on the belief that JOBS participants are more likely to stay with a program and succeed in it when it responds to their interests and goals. Given that the effectiveness of traditional adult education is also unproven, trying a variety of other promising approaches, together with regular adult education services for those who want them, may be the best strategy for JOBS programs.

C. Realistic Expectations for Education in JOBS

Given the low educational levels in the South and the uncertainty around the capacity and quality of adult education services, it may be important for clients, JOBS administrators, legislators and the public to develop realistic expectations of what education in the JOBS program can and cannot achieve.

Even with high quality adult education services, progress may be slow for the most disadvantaged JOBS participants. Low initial skills combined with only part-time adult education instruction limits how quickly students may advance. For example, research on adult education programs in Kentucky found that the participants, on average, made significant progress while in the program but because their reading skills at entry were only at the second to third grade level, they still exited the program reading below the fifth grade.[44] According to another study, in a particularly effective program in Texas, participants advanced an average of 1.6 grade levels in 9.8 months yet only 12% exited reading above the 7.5 grade level.[45]

For all of these reasons, those implementing JOBS will need to anticipate that a sizable part of their caseload may need intensive, long-term services. Long-term economic outcomes, such as increases in employment and earnings, are unlikely to show up early on if most participants are in education. It will be especially important to prepare legislators and the public for this eventuality so that the program does not lose support and so adequate funding for these intensive services can be found.

JOBS program managers may need to make it clear that, at least initially, JOBS in the South is primarily an education program and should be held accountable only for program outcomes appropriate to this activity. Among the mid-term outcomes which JOBS managers may want to track and report are the percentage of JOBS students with regular participation, the degree of educational gains made

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[44] Adelman, *op. cit.*

[45] Mikulecky, *op.cit.* Some researchers think that learning disabilities are an obstacle for a significant number of JOBS participants in education. Because those with learning disabilities are more likely to drop out of school and because those who have dropped out are more likely to become AFDC recipients, it follows that learning disabilities may be more prevalent among those eligible for JOBS. See Adelman, op. cit.

by these students, and the percentage completing a GED or high school diploma. Information on these outcomes could also be used to recognize and reinforce the accomplishments of JOBS clients so that they can see that they are making progress toward their goals.

III. Conclusion

Low welfare benefit levels and low educational attainment levels all make the challenges of JOBS implementation even more difficult for the South. The same factors make JOBS implementation a potentially important opportunity to address the needs of Southern poor families in a way that has never been previously attempted by the AFDC program.

While JOBS presents an exciting opportunity, there are serious limits to what the program can accomplish by itself. The program will be burdened by a set of limits flowing from a welfare system that provides only a fraction of the income families need. Moreover, the effectiveness of JOBS in moving AFDC families out of poverty, even if it succeeds in raising their education and job skills, is likely to be limited by the availability of jobs that pay higher than poverty wages. Low educational levels in the South present states with a paradox: the lack of skilled labor makes it difficult to attract high skill industries that pay well, yet a major investment in raising the basic skills of the labor force may not lead to higher wages so long as the predominant employment opportunities are in low skill industries. A JOBS implementation strategy tied to educational reform efforts and economic development planning could be an important step in the right direction. JOBS can be a key part -- but only a part -- of a state's anti-poverty effort in the South.

In this working paper we have sought to explore the implications of low AFDC benefit levels and low educational levels for JOBS implementation in the South. Wherever possible, we have tried to suggest possible strategies for coping with the difficulties these two factors present. We welcome comments on any of our observations and on the feasibility of the strategies we suggest; we would also like to hear about specific examples of ways in which Southern states are already taking steps in these areas.

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